

Washington State Auditor's Office
Audit Report

Skagit Conservation District
Skagit County

Audit Period
January 1, 1997 through December 31, 1999

Report No. 62164

Issue Date
May 4, 2001



Washington _____
State Auditor

Brian Sonntag

Audit Summary

**Skagit Conservation District
Skagit County
January 1, 1997 through December 31, 1999**

ABOUT THE AUDIT

This report contains the results of our independent audit of the Skagit Conservation District for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal controls established by District management. Our work focused on specific areas that had potential for abuse and misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined.

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Description of the District

Skagit Conservation District Skagit County January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

The Skagit Conservation District is committed to providing technical assistance and promoting conservation education to foster healthy relationships between the environment and people. The District is governed by a five-member Board of Supervisors, three of which are elected and two of which are appointed by the Conservation Commission. The majority of the District's revenue is derived from local, state and federal grants as well as an annual tree sale fundraiser. The District had revenues of \$682,903, \$518,816 and \$839,065 in 1997, 1998 and 1999, respectively. The District currently has 11 employees.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Vice Chair

Secretary/Treasurer

Janet McRae

Randy Bartelt

Paul Blau

APPOINTED OFFICIALS

Board of Supervisors:

Chair

District Manager

Elizabeth Norton

Jerry Vanderveen

Carolyn Kelly

ADDRESS

District

Suite 203

2021 East College Way

Mount Vernon, WA 98273-2373

(360) 428-4313

skagitcd@skagitcd.org

Audit Areas Examined

Skagit Conservation District Skagit County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Skagit Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Conflict of interest laws
- Authorized payroll
- Deposit of public funds
- Legal expenditures

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Cash disbursements

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements
- Cash and investments

Audit Overview

**Skagit Conservation District
Skagit County
January 1, 1997 through December 31, 1999**

AUDIT HISTORY

There were no findings as a result of the prior audit. We found the Skagit Conservation District staff to be helpful throughout the course of the audit and responsive to audit recommendations.

CONCLUSIONS

In the areas examined, we found the District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were complete and accurate.

We thank District officials and personnel for their assistance and cooperation throughout the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Skagit Conservation District Skagit County January 1, 1997 through December 31, 1999

Board of Supervisors
Skagit Conservation District
Mount Vernon, Washington

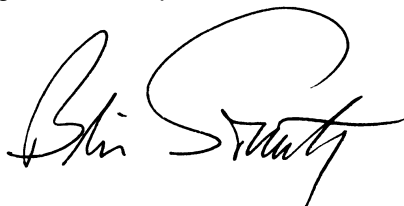
We have audited the financial statements of the Skagit Conservation District, Skagit County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated December 21, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 21, 2000

Independent Auditor's Report on Financial Statements

Skagit Conservation District Skagit County January 1, 1997 through December 31, 1999

Board of Supervisors
Skagit Conservation District
Mount Vernon, Washington

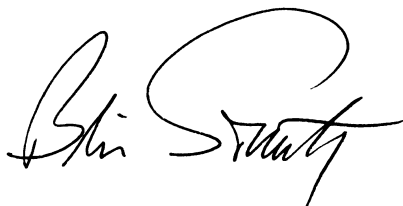
We have audited the accompanying financial statements of the Skagit Conservation District, Skagit County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Skagit Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Federal Financial Assistance and Schedules of State and Local Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 21, 2000

Financial Statements

**Skagit Conservation District
Skagit County
January 1, 1997 through December 31, 1999**

FINANCIAL STATEMENTS

Resources and Uses Arising From Cash Transactions – 1999
Resources and Uses Arising From Cash Transactions – 1998
Resources and Uses Arising From Cash Transactions – 1997
Notes to Financial Statements – 1999, 1998 and 1997

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 1999
Schedule of State and Local Financial Assistance – 1998
Schedule of State and Local Financial Assistance – 1997
Schedule of Federal Financial Assistance – 1997
Notes to Schedules of Financial Assistance – 1999, 1998 and 1997